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SENATE BILL 2981

By Fowler

AN ACT to amend Tennessee Code Annotated, Title 50, Chapter 7 and Title 71, relative to payment of TennCare premiums.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 50, Chapter 7, Part 6, is amended by adding the following as a new section:

Section 50-7-613. (a) To the extent permitted by federal law, an individual filing a new claim for unemployment compensation shall, at the time of filing such claim, disclose whether or not the individual is under an obligation to pay a premium as a participant in the TennCare program or owes an arrearage for past due premiums. The administrator shall notify the bureau of TennCare of any individual who discloses that such individual owes TennCare premiums and who is determined to be eligible for unemployment compensation.

(b) To the extent permitted under Section 523(b) of Public Law 98-21, 42 U.S.C. Section 503, and any other applicable provision of federal law, and subject to any approval required by the federal health care financing agency and the federal department of labor, and with any required consent of such individual, the administrator shall deduct and withhold the amount of TennCare premiums due to the bureau from

any unemployment compensation payable to such individual who owes TennCare premiums.

(c) Any amount deducted and withheld under this section shall be paid by the administrator to the bureau of TennCare.

(d) Any amount deducted and withheld under subsection (b) shall for all purposes be treated as if it were paid to the individual as unemployment compensation and be treated as if it were paid by such individual to the bureau of TennCare as payment of the individual's TennCare premium.

(e) For purposes of this section, "unemployment compensation" means any compensation payable under this chapter, including amounts payable by the commissioner pursuant to an agreement under federal law providing for compensation, assistance, or allowances with respect to unemployment.

(f) This section applies only if arrangements have been made for reimbursement by the bureau of TennCare for the administrative costs incurred by the commissioner under this section which are attributable to the collection of TennCare premiums.

SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 3. This act shall take effect July 1, 2000, the public welfare requiring it.